

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Revere Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: July 30, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on November 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.4% to 7.25%, a revision to the mortality assumption and an increase in the COLA base to \$13,000.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



Revere Retirement System
January 1, 2019 Actuarial Valuation

Total appropriation increases 5.0% each year until FY32 with final amortization payment in FY33

Fiscal Year	Normal Cost	Net 3(8)(c)	Amort. of UAL	Amort. of 2003 ERI	Pension Deferral	Total Cost	Unfunded Act. Liab.	% Total Cost Increase
2020	4,056,018	175,000	9,199,669	132,843	65,902	13,629,432	112,549,496	
2021	4,238,538	175,000	9,897,365			14,310,904	110,859,254	5.00%
2022	4,429,273	175,000	10,422,176			15,026,449	108,523,541	5.00%
2023	4,628,590	175,000	10,974,181			15,777,771	105,468,457	5.00%
2024	4,836,876	175,000	11,554,783			16,566,660	101,613,346	5.00%
2025	5,054,536	175,000	12,165,457			17,394,993	96,870,234	5.00%
2026	5,281,990	175,000	12,807,752			18,264,742	91,143,226	5.00%
2027	5,519,680	175,000	13,483,300			19,177,980	84,327,848	5.00%
2028	5,768,065	175,000	14,193,813			20,136,879	76,310,341	5.00%
2029	6,027,628	175,000	14,941,094			21,143,722	66,966,907	5.00%
2030	6,298,871	175,000	15,727,037			22,200,909	56,162,880	5.00%
2031	6,582,321	175,000	16,553,633			23,310,954	43,751,847	5.00%
2032	6,878,525	175,000	17,422,977			24,476,502	29,574,694	5.00%
2033	7,188,059	175,000	13,772,451			21,135,510	13,458,576	-13.65%
2034	7,511,521	175,000				7,686,521	0	-63.63%

Appropriation payments assumed to be made November 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed administrative expenses of \$850,000.

FY20 amount maintained at level of prior funding schedule.